Restructuring of Pawan Hans Helicopters Ltd.

*234 DR. B.B. DUTTA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether there is any proposal to restructure Pawan Hans Helicopters Ltd.;

(b) if so, the details thereof;

(c) whether the Pawan Hans has approached Government for writing off loans amounting to Rs. 130.9 crores and an interest liability of Rs. 220 crores arising out of the Westland deal;

(d) if so, the details thereof alongwith Government's reaction thereto;

(e) whether Government propose to disinvest shares of Pawan Hans; and

(f) is so, the details thereof?

THE MINISTER OF CIVIL AVIATION: (SHRI ANANTH KUMAR): (a) Yes, Sir.

(b) The restructuring of the Pawan Hans Helicopters Limited (PHHL) has been proposed in the following manner:

(i) Organisational Restructuring, i.e. restructuring on basis of profit centres; expansion and diversification into new areas; aggressive marketing strategy and other modes;

(ii) Manpower Rationalisation in the form of new structures being worked out on the basis of assessment of optimal staffing so as to lower the ratio of employees per helicopter; and

(iii) Financial Restructuring which will include the settlement of Westland helicopters dues, restrsucturing of capital base and better management of investment portfolio.

(c) and (d) PHHL has approached the Government for writing of dues in respect of Westland helicopters viz. principal amount of Rs. 130.91 crores and accumulated liability towards interest and others charges amounting to Rs. 265.23 crores upto 31.03.1998. The matter is under consideration.

(e) and (f) Yes, Sir. In pursuance of the' Government policy to disinvest Government equity in Public Sector Undertakings, a proposal is under consideration to disinvest 40% of Government stake in PHHL to JV partner/financial investors.

Creation of Power Development Fund

*235 SHRI V.P. DURAISAMY: Will the Minister of POWER be pleased to state:

(a) whether Government propose to create a Power Development Fund; and

(b) if so, the details thereof?

THE MINISTER OF POWER: (SHRI P.R. KUMARAMANGALAM): (a) and (b) A proposal for enactment of a legislation enabling establishment of Electricity Development Fund by levy of cess on the electricity generation is under examination. The proceeds realised from the imposition of the cess will be deposited in the Consolidated fund of India and, thereafter, shared between the Central and State Governments.

The amount available in the State Electricity Development Fund will be utilised for promoting hydro power development including small hydel power projects and for improvement in the transmission/distribution network including the sub-transmission/ distribution system.

The amount available in the Central Electricity Development Fund will be utilised for the following purposes:

(i) Financing the expenditure on survey and investigation and preparation of DPRs in respect of Hydro Projects which will provide benefit to more than one State.

(ii) Investment in pre-construction activities including expenditure on land acquisition. These activities